

# Michigan Regional Skill Alliances: A Vision for 2010

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## ***The RSA Concept and Background***

Since 2004, the State of Michigan has stimulated the development of 16 Regional Skills Alliances (MiRSAs), each of which received a modest development grant. In addition, however, the State has promoted the *idea* of RSAs as a tool that can bring coherence to the public response to worker shortages, skill shortages, training mismatches, and other problems faced by industries of importance to the economy of a region. In addition to those that have received grants, others are in development to varying degrees. The potential for RSAs, however, has scarcely been tapped.

When an important industry cluster in a region of Michigan experiences an emerging or persistent workforce problem, where should it turn? Currently, a wide range of local and state entities might be able to help, but in most areas it is difficult to identify a single entity that can provide a coordinated effort to solve the problem. In a time of rapidly changing competitive challenges, employers simply do not have time to cast about hoping to stumble upon the right answers. RSAs can help.

RSAs foster effective solutions to *systemic* and *structural* workforce problems. With employers in the lead, RSAs organize existing public and private sector capacity and develop new capabilities as necessary. When groups of employers are pulled together to form the hub of an MiRSA, they can identify common issues that may lend themselves to common solutions.

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The public workforce system was not structured to respond quickly, knowledgeably, and thoroughly to such issues. Instead, it was designed to address case-by-case matching of workers and jobs. This profound difference between the traditional approach and the

MiRSA approach drives many aspects of the current RSA effort and, likewise, the shape of the initiative for the future.

Over the coming months, many decisions will be made that will shape the MiRSA initiative. This *MiRSA Vision for 2010* provides that context. It paints a picture of what RSAs can be, what they can do, and how they can do it.

## ***What is an MiRSA?***

While RSAs can look quite different from one state to another, Michigan RSAs are part of a common vision of workforce development. In particular:

- Most fundamentally, an MiRSA is a regionally and industry-based consortium or partnership among employers, educational institutions, training providers, economic development organizations, and public workforce system agencies. All of these actors come together to plan for and solve workforce problems in an innovative way with a commitment to doing so over the long term.
- An MiRSA is a vehicle that allows the workforce system to be agile and flexible in responding to the needs of employers in a key regional industry cluster.
- While each MiRSA focuses on a particular industry cluster, several RSAs, each organized within an individual industry cluster, may operate within one region or in overlapping regions.
- MiRSAs are one tool for workforce development, but by no means the only one. They do not replace workforce boards, One-Stops, education and training providers, or other entities. Instead, they provide a conduit through which those organizations can partner and ensure that their services become more coherent, valuable, and accessible.
- MiRSAs bridge the moats that separate the workforce system, economic development, education and training, and employers.
- They influence resource allocation and service delivery decisions by all participants in a direction that is more employer-centered.
- The geographic scope of an MiRSA is typically the labor market, not an artificial boundary.
- All regions of the state have the need and opportunity to create MiRSAs.
- While there are industries of importance statewide, an effective convenor can identify industries of regional importance and engage key leaders in those industries better than the state can.
- Coherent workforce strategy articulated by an MiRSA can reveal and foster career paths within and across industries that include jobs at various wage rates and demand different skill levels; this benefits all workers in a region.
- An effective MiRSA will attract funds from a variety of sources, including modest startup funding from the State of Michigan.
- MiRSAs exist as long as employers value their work.

### ***MiRSAs are:***

- **Employer led**
- **Industry-based**
- **Regionally focused**
- **Knowledge-driven**
- **Strategic workforce partnerships**

## ***Who participates in MiRSAs?***

An MiRSA includes a range of key actors. First and foremost, employers who represent the relevant industry must be at the head of the table. It is also helpful if representatives

from industry associations are involved, but they cannot substitute for the direct participation of employers. An MiRSA is facilitated by a convenor, which is an entity with industry expertise and credibility with employers. Convenors of the RSA should be key players in the community who have a role in solving the workforce needs in the industry cluster and addressing the need for good jobs for community residents.

In addition, the public workforce system, economic development entities, training and education providers from the public and private sectors, community-based organizations, and others bring important capabilities and perspectives. The exact membership of the RSA should be determined according to the circumstances within the region and industry cluster.

### ***What MiRSAs do.***

The MiRSA provides a structured, supported forum in which the human capital problems of an industry cluster can be analyzed and addressed. It helps employers address the problems they experience in more sophisticated ways than they could alone. Typically, a convenor and MiRSA will take on most or all of the following generic functions, although *how* they are carried out varies widely across the state. Before the RSA is launched, the convenor:

- Analyzes the region's workforce and economy.
- Determines which current and emerging industries are key to the present and future economy of the region.
- Identifies the broad workforce challenges that may be affecting those key industries.
- Using the results of its analyses, conducts market studies and recruitment among employers and other potential partners to determine interest in forming an RSA.

As the RSA becomes operational, it:

- Works with many employers in a targeted industry cluster to illuminate and refine its understanding of the workforce challenges they face.
- Draws on industry associations, community colleges, or local workforce agencies for access to information about industry trends and changing skill needs.
- Identifies top-priority challenges that lend themselves to cross-employer solutions. These challenges might involve skill gaps, worker shortages, an aging workforce, quality deficiencies, regulatory problems, labor/management issues, or a wide range of other possibilities.
- Develops specific, customized solutions that the employers and partners embrace.

### ***MiRSAs will:***

- **Make Michigan more attractive to employers.**
- **Improve opportunities for workers.**
- **Coordinate workforce services to industry clusters.**
- **Strengthen key industries across the state.**

- Creates strategies and funding streams for implementing solutions.
- Implements the solutions.
- Analyzes the effectiveness of the solutions (see Expected Outcomes, below).
- Repeats the process as necessary.

Playing all of these roles effectively can make the MiRSA a very valuable resource to employers and ultimately to the people of a region. They position all of the entities that orbit the workforce world to deliver maximum value. The convenor of the RSA facilitates the entire process and works to maintain momentum. An RSA exists as long as the employers continue to find value in it.

### ***What MiRSAs don't do.***

By contrast to the list above, there are a number of traditional workforce development activities that, while they may be of value, are not carried out by RSAs. Below are some examples of what an MiRSA is *not*.

- An MiRSA is not a vehicle for providing training money to a single employer. It serves multiple employers in an industry cluster.
- An individual MiRSA does not serve multiple industry clusters, although the convenor and some partners may work with multiple RSAs that deal with different industries. Instead, it focuses on a single industry cluster that may include firms that are part of a supplier chain as well as the core businesses. Those employers that participate have strong commonalities in their workforce issues.
- It is not a vehicle for training and education providers to market current offerings. While those offerings may have great value, their relevance to an RSA is that providers may deliver solutions to specific workforce challenges. Their inclusion in a strategy for addressing a challenge must be driven by the industry and employer analysis, not simply by what providers have to offer. Their participation in the MiRSA shapes their decisions on course offerings, scheduling, pricing, and responsiveness.
- While stronger industries in a region will save jobs or grow new ones, job development and placement are not the principal goals of MiRSAs. The goals of the individual MiRSAs must be developed with employers and not imposed arbitrarily by the State. MiRSAs focus on achieving the *kinds* of outcomes included in the following section.

***An MiRSA is not for a single employer or for multiple industry clusters. Instead, it is driven by many employers within a single industry cluster.***

### ***Expected Outcomes***

The MiRSA initiative receives a substantial public investment in terms of grants and staffing costs. This investment is justified by the expected outcomes of the initiative, and these outcomes accrue to employers, workers, and the region.

Industries that devise ways of constantly upgrading the skills of their employees are far more likely to remain competitive and healthy than those that do not. As industries in a region prosper, they tend to attract suppliers who benefit from the proximity to their customers and similar businesses that benefit from the availability of skilled workers. The results, then, of effective MiRSAs can be:

- Improvements in the skills of current and potential workers that address the workforce challenges of Michigan employers.
- Current employers who participate see the Michigan business climate as more friendly and supportive, an important consideration in retaining the state's employment base.
- Improved business performance, which increases the competitiveness of the target industry cluster within the region.
- Attraction of other employers in the industry and of supplier firms to the region.
- For the current and emerging workforce, a better means of connecting with key industries in a region.
- Over the long term, more jobs and better opportunities for advancement for workers at all levels than would have been possible without the MiRSA.
- A more coherent and responsive system of workforce and economic development that is valued by employers.

As this kind of success is documented, others will take notice. As one industry prospers, another that sees similar workforce challenges can begin the process anew, yielding even broader economic benefits to the region. As that process recurs, the public sector partners will become increasingly skilled at responding to the variety of workforce challenges that arise from within the diverse industries that work through the RSA vehicle.

### ***The Future of the MiRSA Initiative***

By 2010, as many as 50 to 75 MiRSAs may have been launched. Some will have been in operation for as much as five years, others will be new. Some will have served their purpose and disbanded. The MiRSA initiative will not be driven by an arbitrary numerical goal; instead, the number will rise with the demand from employers to use the RSA vehicle to address their workforce challenges.

This level of activity implies a continuing focus on the part of the State of Michigan in promoting and supporting the development of MiRSAs. Specifically, it implies the State will support the MiRSAs by providing the following:

1. Data support
2. Limited startup funding
3. Process development and vision
4. Promotion of the RSA concept
5. Cross-MiRSA learning facilitation
6. Resource assistance
7. Organizational development and technical assistance